



## **RESOLUTION**

APPROVING AN AMENDMENT TO THE CITY AND COUNTY OF HONOLULU'S TWENTY-FIFTH (25<sup>th</sup>) YEAR ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIPS (HOME), HOUSING TRUST FUND (HTF), EMERGENCY SOLUTIONS GRANTS (ESG) AND HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM FUNDS, AND AUTHORIZING ITS SUBMITTAL TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD).

WHEREAS, Section 1-8.3(a) of the Revised Ordinances of Honolulu 1990, as amended (ROH), requires prior City Council (Council) review and approval of any Annual Action Plan, or any amendments thereto, relating to Community Planning and Development (CPD) programs of the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the City and County of Honolulu (City) wishes to further amend its Twenty-Fifth (25th) Year Action Plan (Action Plan), adopted by Council via Resolution No. 19-34, CD1 on April 17, 2019, as subsequently amended; and

WHEREAS, pursuant to Resolution No. 17-194, the City's Consolidated Plan for Program Years 2016-2020, as subsequently amended, provides for the reprogramming of HUD funds in the event that projects recommended for funding are not proceeding in a timely manner or other issues are encountered, which will jeopardize the current and/or future HUD entitlement programs funding; and

WHEREAS, said reprogramming process allows the City the option to re-direct funds to the following activities:

- Increased funding for projects selected under the current year Action Plan or previously selected under a prior year Action Plan, where the funds can be spent within twelve (12) months after contract amendment;
- Capital Improvement Projects undertaken by the City that: (1) fulfill the CDBG National Objective of principally benefiting low- and moderate-income persons; (2) are identified in the City budget; and (3) require additional funding;
- Property acquisition projects either by the City or by nonprofit subrecipients that fulfill either the CDBG National Objective of principally benefiting low- and moderate-income persons or HOME or HTF program eligibility requirements;



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- Capital Improvement or Acquisition Projects on prior year Alternate Lists that have the requisite approvals and permits in place and are ready for construction so that CDBG, HOME, or HTF funds can be spent within twelve (12) months upon contract execution; or
- Other Projects which have previously completed a Competitive Selection process, within the last two years, conducted by the City that have the requisite approvals and permits in place and are ready for construction so that CDBG, HOME, or HTF funds can be spent within twelve (12) months upon contract execution.

WHEREAS, the reprogramming process allows the City the option to increase funding for projects selected under the current year Action Plan or previously selected under a prior year Action Plan, where the funds can be spent within twelve (12) months after contract amendment; and

WHEREAS, subsequent to Council's approval of Resolution No. 19-298, FD1 on December 4, 2019, and the Department of Community Services' letter to Council dated December 16, 2019 (Departmental Communication D-823(19), "Attachment") informing Council of the change to the alternate projects identified in the Resolution, the seller for one of the proposed projects decided recently to accept an alternate offer; and

WHEREAS, in order to maximize the City's opportunity to expend HUD funds in a timely manner, and to avoid jeopardizing current and/or future HUD entitlement programs funding, the City desires to remove Kinai 'Eha as one of the proposed projects, increase the amount of funding to Mental Health Kokua to the full \$889,430 needed to complete their transaction, and to add the remaining balance of these funds of \$428,860 to the existing \$31,710 currently set aside for a project to be determined, for a total of \$460,570, and will submit the required Project Tables ("Exhibit A") to HUD; and

WHEREAS, the potential loss of these funds would jeopardize continuity of operations and public welfare; and

WHEREAS, pursuant to ROH Section 1-8.3(a), Council may approve the Action Plan by resolution; now, therefore,

BE IT RESOLVED that AP-35 Projects – 91.220(d), Projects is amended to include the table as follows:

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No.	Project Name
1	HTF Project [Kinal'Eha Workforce Housing]
2	Mental Health Kokua Mahani Hale
3	Department of Community Services - Program Administration

**Table 10-HTF Project Information**

; and

BE IT FURTHER RESOLVED that AP-38 Projects Summary, Project Summary Information is amended to include the required Project Tables (Exhibit A); and

BE IT FURTHER RESOLVED by Council that the amended Action Plan is hereby approved; and

BE IT FURTHER RESOLVED that the Mayor, or his designee, is authorized to:

1. Execute and submit the amended Action Plan to HUD;
2. Accept, disburse, and expend CDBG, HOME, HTF, ESG, and HOPWA program funds for the projects and activities identified in the amended Action Plan, as approved by HUD;
3. Execute such assurances, representations, or certifications as are required by HUD;
4. Furnish such additional information, data, and reports as may be required by HUD;
5. Execute grant agreements on behalf of the City with HUD; and
6. Execute any incidental or related amendments, agreements or documents in furtherance of the amended Action Plan or grant agreement, including but not limited to any subrecipient agreements with governmental and nongovernmental subrecipients; and

BE IT FURTHER RESOLVED that the Mayor is hereby directed to advise Council in writing of any changes to the Action Plan and the approval or denial of the amended and resubmitted Action Plan by HUD, and further, to forward to Council a copy of HUD's letter of approval or denial; and

BE IT FURTHER RESOLVED that the Mayor or his designee will submit amendments to the Action Plan consistent with the amendments approved herein; and



## RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Managing Director, the Department of Community Services and the Department of Budget and Fiscal Services.

INTRODUCED BY:

*[Signature]*

(br)

DATE OF INTRODUCTION:

**MAY 18 2020**

Honolulu, Hawai'i

Councilmembers

DEPARTMENT OF COMMUNITY SERVICES  
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL  
MAYOR

PAMELA A. WITTY-OAKLAND  
DIRECTOR

REBECCA J.Y. SOON  
DEPUTY DIRECTOR

December 16, 2019

The Honorable Ikaika Anderson  
Chair and Presiding Officer  
and Members  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawai'i 96813

Dear Chair Anderson and Councilmembers:

**SUBJECT: Implementation of Alternate Projects and Reprogramming of Housing Trust Fund Award, Resolutions 19-294, FD1 and 19-298, FD1**

This letter is to inform the City Council that in accordance with Resolution 19-294, FD1, the alternate projects approved for Housing Trust Fund (HTF) monies will be funded in lieu of the primary project. This letter also notifies the City Council of the intent of the Department of Community Services (DCS) to reprogram HTF funds awarded to one of the projects approved by Resolution 19-298, FD1. With respect to this reprogramming action, pursuant to Section 10(f) of Ordinance No. 19-14, if there is no objection from a Councilmember within fifteen (15) days after this notice is filed with the City Clerk, the proposed reprogramming action will be deemed approved and the Mayor or the Mayor's designee will be authorized to reprogram the funds and execute and submit any corresponding Action Plan amendments.

**Resolution 19-294, FD1 – Implementation of Alternate Projects**

Resolution 19-294, FD1, adopted by the City Council on December 4, 2019, approved the Halewai'olu Senior Residences project for HTF funding in the City's 24<sup>th</sup> Year Annual Action Plan. However, according to U.S. Department of Housing and Urban Development Notice CPD 16-14, HTF project activities generally cannot be performed on properties listed or eligible for listing on the National Historic Register. The Hawai'i State Historic Preservation Division has deemed the Gilliland Building eligible to be listed on the National Historic Register, and therefore the Halewai'olu Senior Residences project, which would involve demolition of the Gilliland Building, is ineligible for an HTF award.

The alternate projects approved by the City Council will be funded instead. The changes that will be made are shown in the following table:

The Honorable Ikaika Anderson  
 Chair and Presiding Officer  
 and Members  
 December 16, 2019  
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<b>Original Resolution 19-294, FD1 Annual Action Plan Sheets</b>		<b>Revision to Resolution 19-294, FD1 Annual Action Plan Sheets</b>	
Halewa'olu Senior Residences 1331-1347 River Street	\$1,350,000	Kinai 'Eha – Workforce Housing 443 Kawainui Street	\$889,430
		Mental Health Kokua – Mahani Hale 1731 Mahani Loop	\$460,570
<b>Alternate projects</b>			
Kinai 'Eha – Workforce Housing 443 Kawainui Street	\$ 889,430		
Mental Health Kokua – Mahani Hale 1731 Mahani Loop	\$ 460,570		

**Resolution 19-298, FD1 – Reprogramming Funds Awarded to Kinai 'Eha Workforce Housing to Acquisition of an Adjacent Duplex Unit**

Pursuant to Section 10(f) of Ordinance No. 19-14, this serves as notification of DCS's intent to reprogram HTF Funds awarded to one of the projects in Resolution 19-298, FD1 to a related project, and to amend the Annual Action Plan sheets in Resolution 19-298, FD1 as described below.

Resolution 19-298, FD1, adopted by the City Council on December 4, 2019, approved the selection of Kinai 'Eha's Workforce Housing project at 443 Kawainui Street, Kailua, Hawai'i 96734 for an award of \$889,430. However, because this project will receive funding as an alternate project under Resolution 19-294, FD1, as discussed above, DCS intends to reprogram the \$889,430 awarded under Resolution 19-298, FD1, to Kinai 'Eha for the acquisition of an adjacent duplex unit at 443A Kawainui Street.

This reprogramming is authorized by the City's Amended Consolidated Plan, which states:

*"In the event that projects recommended for funding are not proceeding in a timely manner or other issues are encountered, which will jeopardize current and/or future HUD entitlement programs funding, the Administration may, in accordance with any applicable ordinance requirements or budget procedures, re-direct funds to any of the following activities, in any order:*

....

- *Property acquisition projects either by the City or by non-profit subrecipients that fulfill either the CDBG National Objective of principally benefiting low and moderate income persons or HOME or NHTF program eligibility requirements;"*

The Honorable Ikaika Anderson  
Chair and Presiding Officer  
and Members  
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The proposed reprogramming is reflected in the following table:

<b>Original Resolution 19-298, FD1 Annual Action Plan Sheets</b>		<b>Revision to Resolution 19-298, FD1 Annual Action Plan Sheets</b>	
Kinai 'Eha -- Workforce Housing 443 Kawainui Street	\$889,430	Kinai 'Eha -- Workforce Housing -- Acquisition of Adjacent Duplex Unit 443A Kawainui Street	\$889,430
Mental Health Kokua -- Mahani Hale 1731 Mahani Loop	\$460,570	Mental Health Kokua -- Mahani Hale 1731 Mahani Loop	*\$428,860

\* The amount awarded to Mental Health Kokua is reduced to reflect the maximum subsidy allowed under HTF, when combined with the funding awarded by Mental Health Kokua pursuant to Resolution 19-294, FD1, as discussed above.

Both of these organizations and their communities would benefit from the amendments described in this letter. Taken together, the HTF funds to be provided to Kinai 'Eha and Mental Health Kokua pursuant to Resolution 19-294, FD1 and the reprogramming under Resolution 19-298, FD1 will add fifteen (15) units to the needed housing inventory dedicated to extremely low-income persons and homeless individuals and youth at or below 30% of area median income.

Should you have questions, please contact me at 768-7760.

Sincerely,

  
Pamela A. Witty-Oakland  
Director

APPROVED:

  
Roy K. Amemiya, Jr.  
Managing Director

# EXHIBIT A



<b>Project Name</b>	Kinai 'Eha - Workforce Housing
<b>Target Area</b>	Windward
<b>Goals Supported</b>	Housing - Acquisition
<b>Needs Addressed</b>	Affordable Housing
<b>Funding</b>	HTF - \$889,430
<b>Description</b>	Provision of loan funds for the acquisition of a duplex that will provide five (5) single room occupancy rental units for homeless youth at or below 30% AMI. HTF funds will be utilized to purchase and/or rehabilitate a manufactured housing unit, and purchase the land upon which a manufactured housing unit is located, eligible under 24 CFR §93.200(a)(3).
<b>Target Date of Completion</b>	11/30/2022
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately five (5) households at or below 30% AMI will benefit from the activities that will be supported under this project.
<b>Location Description</b>	443A Kawaiinui Street, Kailua, HI 96734
<b>Planned Activities</b>	Acquisition of a duplex providing five (5) affordable rental housing units that will serve households with incomes at or below 30% AMI in Kailua.

<b>Project Name</b>	Mental Health Kokua– Mahani Hale
<b>Target Area</b>	Urban Honolulu (Kalihi)
<b>Goals Supported</b>	Housing –Acquisition
<b>Needs Addressed</b>	Affordable Housing
<b>Funding</b>	HTF – <del>(\$428,860)</del> <u>\$889,430</u>
<b>Description</b>	<p>Provision of <u>grant or loan</u> funds for the acquisition of a nine (9) bedroom single family dwelling that will provide five (5) permanent rental units for single unrelated homeless adults with the disability of serious mental illness at or below 30% AMI. <del>[Balance of maximum subsidy for 6 SPOs, \$460,670, awarded in Twenty-Fourth Year action plan.]</del></p> <p>HTF funds will be utilized to purchase and/or rehabilitate a manufactured housing unit, and purchase the land upon which a manufactured housing unit is located, eligible under 24 CFR §93.200(a)(3).</p>
<b>Target Date of Completion</b>	12/31/2022
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately five (5) households at or below 30% AMI will benefit from the activities that will be supported under this project.
<b>Location Description</b>	1731 Mahani Loop, Honolulu, Hawai'i 96819-2833
<b>Planned Activities</b>	Acquisition of single family dwelling that provides five (5) affordable rental housing units that will serve households with incomes at or below 30% AMI in Urban Honolulu.

<b>Project Name</b>	HTF Project
<b>Target Area</b>	Urban Honolulu Census Designated Places (CDP)
<b>Goals Supported</b>	Housing - Development
<b>Needs Addressed</b>	Affordable Housing
<b>Funding</b>	HTF - [ <del>\$31,710</del> ] <u>\$460,570</u>
<b>Description</b>	<p>The City anticipates using its PY2019 HTF funds in the amount of [<del>\$31,710</del>] <u>\$460,570</u> to provide approximately [<del>one (1)</del>] <u>up to three (3) single room occupancy (SRO) units or one (1) four bedroom</u> rental housing unit in Urban Honolulu CDP, as described at <a href="http://files.hawaii.gov/dbedt/op/gis/maps/2010_cdp_urban-honolulu.pdf">http://files.hawaii.gov/dbedt/op/gis/maps/2010_cdp_urban-honolulu.pdf</a>, serving extremely low-income households with incomes at or below 30% AMI. Once selected, the PY2019 AAP will be amended to include the City's PY2019 HTF activity.</p> <p>The Urban Honolulu CDP covers the area from Kāhala to Pearl City and is a long-range (20 year) guide for physical development and policy implementation.</p> <p>HTF funds will be utilized to develop one or more housing units in a multi-unit project, eligible under 24 CFR §93.200(c).</p>
<b>Target Date of Completion</b>	11/30/2022
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately one (1) family at or below 30% AMI will benefit from the activities that will be supported under this project.
<b>Location Description</b>	Urban Honolulu CDP
<b>Planned Activities</b>	Production or preservation of [ <del>one (1)</del> ] <u>up to three (3) single room occupancy (SRO) units or one (1) four bedroom</u> affordable rental housing unit that will serve households with incomes at or below 30% AMI in Urban Honolulu CDP.

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

RESOLUTION 20-126

Introduced: 05/18/20 By: IKAIKA ANDERSON – BY REQUEST Committee: COUNCIL

Title: RESOLUTION APPROVING AN AMENDMENT TO THE CITY AND COUNTY OF HONOLULU'S TWENTY-FIFTH (25TH) YEAR ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIPS (HOME), HOUSING TRUST FUND (HTF), EMERGENCY SOLUTIONS GRANTS (ESG) AND HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM FUNDS, AND AUTHORIZING ITS SUBMITTAL TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD).

Voting Legend: \* = Aye w/Reservations

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CC-171 MANAHAN – REFERRAL FROM BUDGET DIRECT TO COUNCIL FLOOR.

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06/03/20 COUNCIL

RESOLUTION 20-126 WAS ADOPTED.

9 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, PINE, TSUNEYOSHI, WATERS.

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I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.

  
GLEN I. TAKAHASHI, CITY CLERK

  
IKAIKA ANDERSON, CHAIR AND PRESIDING OFFICER